

Message Text

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PAGE 01 REYKJA 00597 292014Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PA-02 USIA-15 PRS-01 SP-02
/053 W

-----300537Z 061907 /10

R 291635Z APR 77
FM AMEMBASSY REYKJAVIK
TO SECSTATE WASHDC 7244
INFO COMICEDEFOR
CINCLANT
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM

UNCLAS REYKJAVIK 0597

E.O. 11652: N/A
TAGS: ELAB, IC
SUBJECT: LABOR NEGOTIATIONS: SOME PROGRESS BUT STRIKE STILL
THREATENS

REF: REYKJAVIK 527 (DTG 151744Z APR 77)

1. ON EVE OF CURRENT CONTRACT EXPIRATION SOME PROGRESS HAS
BEEN REPORTED IN NEGOTIATIONS BETWEEN ICELANDIC FEDERATION
OF LABOR AND EMPLOYERS. SUBSTANTIAL GROUND REMAINS TO BE
COVERED, HOWEVER, IF GENERAL STRIKE IS TO BE AVERTED.

2. NEGOTIATORS HAVE NARROWED GAP OVER TERMS FOR LINKING
WAGES TO COST-OF-LIVING INDEX DURING LIFE OF NEW CONTRACT.
IFL BARGAINERS HAVE MADE SUCH LINKAGE CORNERSTONE OF THIER
DEMANDS AND HAVE INSISTED ISSUE BE RESOLVED BEFORE ANY
DECISIONS REACHED ON PAY INCREASES PER SE. NOTWITHSTANDING
CONCENTRATION ON WAGE/COST-OF-LIVING LINKAGE ISSUE, PARTIES
ALSO SEEM COLOSER TO AGREEMENT ON LABOR'S KEY DEMAND FOR
INSTITUTION OF 100,000 KRONUR MONTHLY MINIMUM WAGE AS
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BOOST TO LOWEST PAID. FINDING FORMULA FOR PROVIDING
ADEQUATE COMPENSATION IN HIGHER PAY BRACKETS THAT IS
AT SAME TIME NOT OVERLY INFLATIONARY STILL REPRESENTS
MAJOR HURDLE. SEVERAL OTHER SECONDARY ISSUES ALSO
REMAIN UNRESOLVED.

3. IFL HAS COLLECTED FROM MOST OF ITS AFFILIATES

MANDATES TO CALL GENERAL STRIKE AFTER CURRENT CONTRACT RUNS OUT MAY 1. UNION PARTICIPANT IN TALKS, HOWEVER, TOLD EMBOFF TODAY THAT THERE WILL BE NOT STRIKE UNTIL AT LEAST MAY 15. SOURCE ADDED THAT GOVERNMENT AND EMPLOYERS ARE WAITING UNTIL AFTER UNIONS BLOW OFF STEAM AT MAY 1 LABOR DAY OBSERVANCE (WHICH WILL BE MARKED HERE BY STRONG ANTI-GOVERNMENT OVERTONES) BEFORE MAKING SERIOUS PUSH FOR SETTLEMENT.

4. IF FOREGOING IS CORRECT, IT WOULD APPEAR THERE COULD BE BOTH TIME TO REACH AGREEMENT AND POSSIBILITY OF NEW IMPULSE FROM GOVERNMENT/MANAGEMENT THAT WILL FACILITATE ONE. HOWEVER, AS NOTED REFTTEL, IFL MAY FEEL COMPELLED TO GO THROUGH MOTIONS OF STRIKE REGARDLESS OF STATE OF PLAY AT BARGAINING TABLE. IN ANY EVENT, DESPITE SIGNS OF PROGRESS NOTED ABOVE, MOST OBSERVERS CONTINUE TO PREDICT STRIKE AND MAY WARN OF SEVERE ONE.
BLAKE

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
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